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SUBJECT: AMBASSADOR ERIC GOOSBY'S MEETING WITH THE SOUTH AFRICAN  
MINISTER OF HEALTH

REF: 08 Pretoria 2643

11. Summary: On July 19, Office of Global AIDS Coordinator, Ambassador Eric Goosby met with recently appointed South African Minister of Health Aaron Motsoaledi. Minister Motsoaledi was accompanied by Department of Health Deputy Director General Yogan Pillay. The meeting took place on the margins of the International AIDS Society Conference in Cape Town, South Africa.

12. Ambassador Goosby started the conversation by noting that international health issues were important to the Obama Administration. He emphasized that South Africa's needs are also important and the U.S. would like to work with South Africa as a model for other countries in the region. He said the U.S. hopes that South Africa might be in a position to offer technical assistance to other countries in the region. The United States also has a high level of interest in working with South Africa to ensure that health strategies and development strategies are converged. In these matters, Ambassador Goosby said, the USG hopes to engage in a long term dialogue.

13. Minister Motsoaledi thanked Ambassador Goosby for the visit and confirmed that health is also a key priority for South Africa's new government. He noted that U.N. AIDS representative Michel Sidibe had also suggested that South Africa serve as a model for the African continent. Minister Motsoaledi then spoke on the subject of the administration and organization of South Africa's fight against HIV/AIDS.

14. He noted that the Deputy President of South Africa, Kgalema Motlanthe, is the Deputy Chairman of the South African National AIDS Coalition (SANAC). Deputy President Motlanthe was "painfully aware" that there was a lack of focus and incessant infighting over the HIV/AIDS issue in the past. "We wasted too many precious years," said the Deputy President. The Deputy President was also aware of the significant role that South Africa plays in the regional context.

15. Minister Motsoaledi then noted how many foreigners were working in South Africa, especially in the mining industry. TB is a special problem among migrant mine workers, and the burden of HIV is very high in the country. When migrant workers return to their countries, they bring with them various infections. Thus, if South Africa is not able to manage its healthcare problems, it will certainly impact the rest of the region.

16. The Minister explained more about SANAC's role. He said that all elements of South African society were represented in SANAC: non-profits, government, laboratories, education, civil society, private sector, etc. He noted that the Department of Health would work within the National Strategic Plan that SANAC had prepared. The specific goals of the plan were, by 2011, (a) to cut the rate of new infections by 50 percent and (b) to provide treatment to 85 percent of the patient population.

¶7. The Minister then spoke on the issue of funding. He started this discussion by recalling that the Free State had suddenly run out of funding for ARVs, almost forcing patients to stop treatment in the middle of their programs. There was a high possibility of similar disruptions in six of the other nine provinces in the near term. The USG funded drugs for Free State on an emergency basis and prevented a stock out.

¶8. The Department of Health has started to work with the Treatment Action Committee (TAC) as a good partner. TAC is advocating that treatment be given when the CD4 count falls to 350, up from 200 as stated in current policy. They want faster uptake. They are advocating for more second line drugs. Finally, they were adamant that financial and administrative problems such as those of the Free State be avoided at all costs in the future. Minister Motsoaledi acknowledged that he had to agree with many of the TAC's recommendations and the challenges they raise keep him awake at night.

¶9. The Minister also acknowledged that South Africa's HIV/AIDS program has significant management challenges. Human Resources are a huge issue. Indeed, many of South Africa's neighbors are doing better on doctor and nurse training than relatively-wealthy South Africa. Many of these HR issues are rooted in the former system of Bantu education under which Africans were not allowed to learn math or science. Reversing the effects of Bantu education will take many years.

¶10. The Minister continued to say that he was very grateful for the support of all development partners. A new position as the CEO of SANAC has been created. In the Minister's words, they have chosen an excellent person for this position, which would be at an equal level to the Director General in the Department. The SANAC CEO will be responsible for meeting the SANAC goals, including those of women's health and TB. Ideally, HIV and TB could be treated in the same facilities.

¶11. Ambassador Goosby asked if SANAC will help with setting the priorities and implementing programs, if policies will be developed by SANAC under the (nominal) leadership of the Deputy President of South Africa, and if the SANAC CEO is responsible for implementation of those policies.

¶12. The Minister confirmed that this was the intent, but there was a transitional process currently underway. The intent was to move to an arrangement where the SANAC CEO had full responsibility for implementation of HIV/AIDS policies and the Department was only one constituent part of SANAC. With regards to HIV/AIDS, "the Department of Health will operate under the SANAC umbrella." The Minister noted that there have been too many plans. Now is the time to implement and then evaluate weaknesses. "We don't need any more T-shirts," the Minister said.

¶13. In response to Ambassador Goosby's query of how the U.S. might assist, the Minister replied that they were finalizing a plan to bring a total of 1.4 million individuals into treatment programs by ¶2011. However, the budget gap is a huge problem, especially as there are so many other competing needs. The Minister again raised the specter of the Free State and noted that running out of money to pay for ARVs is his most urgent fear. In addition, communication and social mobilization is urgently needed to cut new infections by 50 percent. Deputy Director General Pillay then noted that information systems to evaluate programs are also a high priority.

¶14. Ambassador Goosby asked the Minister to further discuss specific concerns about resources. The Minister returned to the issue of the Free State precedent. He noted that South Africa was running out of money to purchase ARVs and that there might very well be funding gaps in the near future. Minister Motsoaledi admitted that, to a certain extent, this was due to bad planning. He noted that they were working very hard to improve their planning and budgeting process to ensure that funding gaps did not happen again in the future, but in the immediate term they were vulnerable.

¶15. Ambassador Goosby asked if the Minister had discussed the issue with other funders. Minister Motsoaledi replied that he hoped to discuss the situation with the Global Fund and others.

¶16. Ambassador Goosby then asked if the Department had maximized their purchasing power by buying generic drugs. The Minister replied that sometimes the Ministry purchased drugs by tender at prices that were above global prices. He explained that this was due to industrial policy. Also, he noted that the WTO Trade Related Intellectual Property Rights (TRIPS) might sometimes be an issue that led to higher purchase prices. However, he noted that they "were not married" to a particular tender system and that it was possible that they could reduce purchase prices further.

¶17. Minister Motsoaledi continued by comparing his role as Minister of Health to his previous job as MEC for Education in Limpopo. In his former job, he was required to purchase text books at above market prices. He complained to his Provincial Premier, noting that his primary responsibility was to teach children - not support text book manufacturers and he was permitted to buy text books at market prices. The drug tender situation might be similar.

¶18. Minister Motsoaledi explained that DDG Pillay was in the final stages of completing analysis on the immediate term funding short fall and that he would be able to provide accurate information on the South African funding gap by next week. Pillay complained that it was hard to piece together all of the Provincial data due to the lack of a real-time, system-wide information network. Pillay also commented that British entrepreneur Richard Branson was interested in helping to develop such an IT network. The DDG suggested that he would be happy to share the result of his funding gap analysis with the PEPFAR team within the next week.

¶19. Ambassador Goosby closed the meeting by noting that the United States is seeking partnerships that enable governments to carry out effective programs. He said that the U.S. government would like a common platform of work with Ministries of Health that starts from the premise of cooperation with an exit strategy. Ambassador Goosby continued by saying the USG would like to support Ministries to build administrative and management capabilities and would like to expand capacity to help implement your vision and meet your unmet needs. While this process might be slower (than directly funding NGOs), it is also more durable. In this way, he said, the U.S. hopes to be able to expand capacity to meet increased demand, but not at the expense of reducing quality. Ambassador Goosby added that through this means the U.S. hopes to engage South Africa and increase mutual trust. He concluded by saying the USG would like to build the relationship so that South Africa can reveal issues of greatest concern in a trusting environment.

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